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BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF UTAH

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UTAH INSURANCE DEPARTMENT,  Complainant,  v.  UNITED SERVICES AUTOMOBILE ASSOCIATION 9800 Fredericksburg Road San Antonio, TX 78288 License No. 25968  Respondent.	STIPULATION AND ORDER  Docket No. 2017-080 PC Enf. Case No. 3931  Lisa Watts Baskin, J.D. Administrative Law Judge
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**STIPULATION**

The Utah Insurance Department ("Department"), by and through its legal counsel, and United Services Automobile Association ("Respondent"), hereby stipulate and agree as follows:

1. Respondent insurance agency is an active property and casualty insurer authorized to do business in the State of Utah under License No. 25968. Respondents' business address is 9800 Fredericksburg Road, San Antonio, Texas 78288.
2. The Department has jurisdiction over the parties and subject matter of this administrative action.

3. Respondent acknowledges notice of agency action pursuant to Utah Code Section 63G-4-201; acknowledges that this Stipulation and Order is an informal proceeding pursuant to Utah Code Section 63G-4-202; and irrevocably waives the right to any hearing, review or appeal concerning this matter.

4. Respondent is aware of its right to be represented by legal counsel in this matter, and has either sought the advice of legal counsel or has waived the right to do so.

5. This signed Stipulation and the signed Order, along with any Findings of Fact and Conclusions of Law, shall not be subject to any reconsideration, renegotiation, modification, hearing or agency review or appeal.

6. The Findings of Fact and Conclusions of Law presented below are accepted by the parties.

7. The issuance of the signed and adopted Order proposed below is solely for the purpose of disposing of the specific matter entitled herein.

8. The only promises, agreements and understandings that the parties have regarding this matter are contained in this Stipulation.

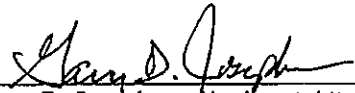
9. Respondent enters into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.

10. The persons signing this Stipulation on behalf of the named parties hereby affirm that they are authorized to sign and bind the parties.

Dated this 18<sup>th</sup> day of September, 2017.

Shaunda Cockayne  
Shaunda Cockayne, Compliance Advisor  
UNITED SERVICES AUTOMOBILE ASSOCIATION

Dated this 18<sup>th</sup> day of September, 2017

  
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Gary D. Josephson, Assistant Attorney General  
UTAH INSURANCE DEPARTMENT

Based upon the foregoing Stipulation and Department file, the Presiding Officer makes the following Findings of Fact:

**FINDINGS OF FACT**

1. The Department received a complaint from a Utah consumer regarding Respondent's handling of his auto accident insurance claim.
2. Based on a Department investigation, it was found that, on January 27, 2017, the complainant was in an accident where another person damaged his vehicle. The accident was reported to Respondent on that same day.
3. It was determined that the insurance claim was paid on June 2, 2017, four months after the accident was reported.
4. It was also found that no rental car coverage was offered to the complainant, and that a loss of use claim was paid only after the Department sent the complainant to Respondent.
5. Further, it was found that Respondent sent complainant a storage fees termination notice on May 10, 2017, effective the following day, which did not afford complainant reasonable time to make arrangements for moving his vehicle.
6. The Department and Respondent have agreed to an administrative forfeiture in the amount of \$2,000.00.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

**CONCLUSIONS OF LAW**

1. Utah Code Section 31A-26-303(3) states that "failing to acknowledge and act promptly upon communications about claims under insurance policies" is an unfair claim settlement practice. Based on the above referenced facts, Respondent committed an unfair claim settlement act under this insurance law.

2. Utah Administrative Code R590-190-10(3) provides that a claim payment is overdue if not paid within 30 days after the insurer is furnished with written proof of the fact of a covered loss and the amount of the loss. Based on the above referenced facts, Respondent committed a violation under this insurance law.

3. Utah Administrative Code R590-190-11 requires that where insurance coverage exists, a loss of use payment shall be made, or payment for reasonably incurred rental cost for a substitute vehicle be paid, to a claimant during the period the automobile is withdrawn from service for repairs. Based on the above referenced facts, Respondent violated this insurance law.

4. Utah Administrative Code R590-190-12 requires an insurer to provide reasonable written notice to a claimant prior to termination of payment for automobile for storage charges, giving reasonable time for the claimant to remove the vehicle from storage prior to termination of the payment. Based on the above referenced facts, Respondent violated this insurance law.

5. An Administrative forfeiture in the amount of \$2,000.00 is appropriate under the circumstances of this case.


Based on the foregoing Findings and Fact and Conclusions of Law, the Presiding Officer enters the following Order:

**ORDER**

1. Respondent is hereby ordered to pay an administrative forfeiture in the amount of \$2,000.00 to the Department within thirty days of the signing date of this Order.

DATED this 20<sup>th</sup> day of September, 2017.

TODD E. KISER  
Insurance Commissioner

  
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LISA WATTS BASKIN, J.D.  
Administrative Law Judge  
Utah Insurance Department

**NOTIFICATION TO RESPONDENT**

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation. You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

**CERTIFICATE OF MAILING**

The undersigned hereby certifies that on this date, a true and correct copy of the foregoing **STIPULATION AND ORDER** was regularly mailed and electronically mailed to the following:

United Services Automobile Association  
9800 Fredericksburg Road  
San Antonio, Texas 78288  
Att: Shaunda Cockayne, Compliance Officer

Shaunda.Cockayne@usaa.com

Dated this 20<sup>th</sup> day of September, 2017

  
\_\_\_\_\_  
Jeanne Mitchell  
Utah Insurance Department  
State Office Building, Room 3110  
Salt Lake City, UT. 84114-6901